

IN SENATE OF THE UNITED STATES.

DECEMBER 21, 1847.

Submitted, and ordered to be printed.

Mr. FAIRFIELD made the following

REPORT:

[To accompany bill S. No. 2.]

*The Committee on Naval Affairs, to whom was referred the bill for the relief of Joseph Wilson, ask leave to report:*

That this case came before the committee at the 1st session of the 29th Congress, and was favorably reported upon. The bill was again before the Senate at the last session and passed; but was not taken up and considered by the House. The bill now referred being similar to the one passed at the last session, is now reported back without amendment.

The report of the committee at the 1st session of the 29th Congress, is adopted as the report of this committee.

IN SENATE OF THE UNITED STATES, March 10, 1846.

*Mr. FAIRFIELD, from the Committee on Naval Affairs, to whom was referred the petition of Joseph Wilson, ask leave to report:*

That, by the evidence in the case, it appears that early in the year of 1841 the petitioner, being a purser in the United States navy, was ordered to the navy-yard, at Charlestown, Massachusetts. At that time he found the public money, transferred to him by his predecessor at that yard, deposited in the Phoenix Bank at Charlestown, one of the depositories of the public money, selected for that purpose by the Secretary of the Treasury. From that time up to February 25th, 1841, as will appear by the correspondence hereto annexed, Wilson sought to obtain the sanction of the Navy and Treasury Departments to his continuing the Phoenix Bank as a depository of the public moneys intrusted to him, but without success.

On the 21st of February, 1842, he informed the Secretary of the Navy that treasury notes, with which he was furnished for paying

the officers, seamen, and mechanics at the yard, were at a discount of one-half per cent., and asked for authority to sell them at the market price, or to deposit them in the Phoenix Bank, with whom he believed he could make an arrangement for receiving them *at par*, by depositing them as soon as received, giving the bank the benefit of the accruing interest, the bank agreeing to pay out its own bills, or specie, as needed for public uses.

By letter of the 25th of February, 1842, the Hon. A. P. Upshur, then Secretary of the Navy, in a letter to Wilson says: "In reply to your letter of the 21st instant, on the subject of an *arrangement with the Phoenix Bank*, at Charlestown, for an exchange of treasury notes, you are informed that I have no power to authorize any disposition of the notes for less than par, but wish you to make *any arrangement* in your power by which they may be made available *at par*."

In pursuance of this authority, Wilson made an arrangement with the Phoenix Bank, such as was contemplated, and thereupon made his deposits therein. The bank continued to perform its duties faithfully to the government up to the third day of October, 1842, when it failed.

It appears abundantly that, up to the very hour of its failure, the credit of the bank was good—commanded the entire confidence of the community—and that intelligence of its failure was received by the public with profound astonishment, and produced an excitement unparalleled in the history of bank failures.

Something over half of the amount then in deposit has been paid by the trustees, in dividends of the effects. For the remainder, it is understood, a suit is pending in the supreme judicial court of Massachusetts, in which a priority of the United States over other creditors is asserted. If this suit should prove successful, there will be no balance on the books of the treasury against Wilson. In the meantime, however, the accounting officers of the treasury are pressing him to settle his accounts, and to pay over the amount thus apparently due from him, to wit: about \$5,000.

The committee, while acknowledging the general principle that pursers and other public officers entrusted with public moneys are responsible for its safe-keeping, yet think there has been, in this case, such a direction and control of the public money in the hands of the petitioner by the government, as to relieve him from his responsibility for losses occurring through no neglect or misconduct of his own; and, in conformity with this view, have reported a bill.

[No. 1.]

BOSTON NAVY-YARD,  
February 12, 1841.

SIR: I have the honor to inform you that it will be necessary for the safe-keeping of the funds required by me for the payment of the officers and men on the books of this yard, to deposit them in some bank, and that a bank near the navy-yard in Charlestown will be more convenient than one in Boston.

The Phoenix Bank, in Charlestown, has been made the place of deposit by my predecessor, and I believe it to be as safe, from all I can learn respecting it, as any bank in Boston.

Will you please, sir, to sanction my depositing the public funds in the Phoenix Bank, or inform me in what manner I am to dispose of them?

I am, very respectfully, your obedient servant,

JOSEPH WILSON.

Hon. JAMES K. PAULDING,

*Secretary of the Navy, Washington.*

[No. 2.]

NAVY DEPARTMENT,  
February 17, 1841.

SIR: Your letter of the 12th instant, requesting instructions to deposit the government funds in the Phoenix Bank at Charlestown, has been received. As the pursers are responsible for the public money intrusted to their charge, the department declines giving you any instructions on the subject.

I am, respectfully, &c.,

J. K. PAULDING.

Purser JOSEPH WILSON,

*United States Navy, Boston.*

[No. 3.]

NAVY DEPARTMENT,  
June 19, 1841.

SIR: In compliance with a resolution of the Senate, dated the 8th instant, you are requested to inform the department, with as little delay as practicable, "what amount of public money, if any, which has been placed in your hands, is now on deposit in banks; and if so, the names of the banks, whether they are specie-paying banks or not, and whether the deposit is general or special."

I am, very respectfully, &c.,

GEORGE E. BADGER.

JOSEPH WILSON, Esq.,

*United States Navy-yard, Boston.*

[No. 4.]

UNITED STATES NAVY-YARD,  
Charlestown, June 25, 1841.

SIR: I have the honor to inform you, in compliance with your instructions of the 19th instant, that of the public money which has been placed in my hands, there is a balance due from me to the United States of five thousand three hundred and sixty-two dollars and forty-seven cents, (\$5,362 47,) which sum is now on spe-

cial deposite, for the pay of the officers and men on the books of this yard, in the specie-paying Phœnix Bank, Charlestown.

I am, very respectfully, your obedient servant,

JOSEPH WILSON, *Purser.*

The Hon. GEORGE E. BADGER,

*Secretary of the Navy, Washington, D. C.*

[No. 5.]

NAVY DEPARTMENT,

*August 19, 1841.*

SIR: Should you, in the course of your transactions as navy agent, have occasion to deal with any of the banks in Boston, it will be agreeable to the department and convenient to the treasury, if you would select for that purpose the State Bank at Boston.

I am, respectfully,

GEORGE E. BADGER.

To LEONARD JARVIS, Esq.,

*Navy Agent, Boston.*

[No. 6.]

UNITED STATES NAVY-YARD,

*Charlestown, December 1, 1841.*

SIR: I have the honor to inform you that there is expended on this station by me as purser, nearly thirty thousand dollars monthly. That this amount is received by me from the navy agent at Boston about the 15th of each month; and, as the mechanics are paid semi-monthly, and the officers and men monthly, more than half this sum necessarily remains in my hands from fifteen to twenty days.

I have invariably deposited the government funds received by me in the Phœnix Bank of this place, believing them as safe there as they could be in any bank in Boston, and much more so than could be in my office, it being a great convenience to the officers and men attached to the yard to obtain money for their checks here, rather than be obliged to go to Boston. I have no authority for depositing the public funds received by me in any bank, or instructions how to dispose of them for their safe-keeping; and have been told, on application to the department, that I am responsible for the public money intrusted to my charge, and that no instruction can be given me upon the subject.

The navy agent at Boston has received orders to deposite the government funds received by him in the State Bank at Boston, and I would ask the favor of you, sir, to give me orders that will authorize my making the Phœnix Bank a place of deposite, or any other you may deem proper, as I cannot think it just that I should be held responsible for the safety of the public property intrusted

to my charge, beyond its expenditure and doing all in my power to secure the government from loss.

I am, very respectfully, your obedient servant,  
JOSEPH WILSON, *Purser.*

The Hon. A. P. UPSHUR,  
*Secretary of the Navy, Washington. D. C.*

[No. 7.]

NAVY DEPARTMENT,  
*December 8, 1841.*

SIR: Your letter of the 1st instant, asking authority to deposite the government funds in your hands in the Phoenix Bank at Charlestown, or in any other that the department may think proper to select, has been received.

The department declines to give any directions upon the subject; but, as you are responsible for the safety of the government funds, you must take care of them as you may think best.

I am, respectfully, &c.,

A. P. UPSHUR.

Purser JOSEPH WILSON,  
*United States Navy-yard, Boston.*

[No. 8.]

UNITED STATES NAVY-YARD,  
*Boston, February 12, 1842.*

SIR: I am informed by the navy agent that no money has been received by him on account of my requisitions for January and February; and that, when he receives the amount, it will probably be in treasury notes, in which alone he will be able to pay me. As treasury notes are now selling in this market at a discount of from a half to one per cent., and the banks will not receive them on deposit and pay their bills at par, I feel it my duty to make this known to you, and to request your instructions for my government, as I cannot receive the treasury notes to pay the officers, men, laborers, and mechanics of this station, having no authority to dispose of them at their value here. On the 15th of this month, there will be due on the mechanic's rolls about \$34,000, and, I think, if I could be authorized to deposite the funds received by me in the Phoenix Bank, at Charlestown, which I believe to be as safe a bank as any one in Boston, that they would be induced to take the treasury notes at par, and pay their bills and such amount of specie as may be required in return. All the business on this station has been transacted through this bank for many years; but not having authority to make deposits there, I have only received their bills for the navy agents' checks as the money became due on the several rolls.

I am, very respectfully, &c.

JOSEPH WILSON, *Purser.*

A. O. DAYTON, Esq.,  
*Fourth Auditor, Treasury Department, Washington.*



[No. 9.]

FEBRUARY 16, 1842.

SIR: I have received your letter of the 12th instant, but I do not conceive that I have any authority to give you instructions upon the subject to which it refers.

A. O. DAYTON.

JOSEPH WILSON, Esq.,

*Purser, United States Navy-yard, Boston.*

[No. 10.]

UNITED STATES NAVY-YARD,

*Boston, February 21, 1842.*

SIR: I have the honor to inform you that on the 12th instant I addressed a letter to the Fourth Auditor of the Treasury Department, requesting his instructions for my government with regard to treasury notes received on this station for paying officers, seamen, and mechanics at this yard, and am informed by him in answer, that he has no authority to give me instructions on the subject.

Treasury notes, from the best information I can obtain, are now at one-half per cent. discount in this market, and the banks will not receive them at par unless there is sufficient interest due upon them to pay the discount. I have, as an accommodation, to pay the amounts due the mechanics at this yard for the month of January, obtained sufficient money from the Phoenix Bank, Charlestown, on the treasury notes received from the navy agent, to the amount of \$21,852 50—no interest being due on them, they being dated and signed by the navy agent on the 18th instant, at par. But this is a favor I have no right to expect a repetition of, nor do I think the department would approve of my asking it. Under these circumstances, I see no way in which I can pay the amounts that will become due to the officers and men for this month with treasury notes, unless I am authorized to sell them at the market price, or to deposite them in some bank on receiving them from the navy agent, that they may have the benefit of the interest that may become due until the payments are made; and on this condition, which I think would be equitable, I think the president of the Phoenix Bank would receive them at par. Will you please, sir, to furnish me with instructions on this subject?

I am, very respectfully, &amp;c.,

JOSEPH WILSON, *Purser.*

The Hon. A. P. UPSHUR,

*Secretary of the Navy, Washington.*

[No. 11.]

NAVY DEPARTMENT,

*February 25, 1842.*

SIR: In reply to your letter of the 21st instant, on the subject of an arrangement with the Phoenix Bank at Charlestown, for an

exchange of treasury notes, you are informed that I have no power to authorize any disposition of the notes for less than par, but wish you to make any arrangement in your power by which they may be made available at par.

I am, very respectfully, &c.,

A. P. UPSHUR.

Purser JOSEPH WILSON,  
*Navy-yard, Boston.*

[No. 12.]

NAVY DEPARTMENT,  
*February 23, 1842.*

SIR: In reply to your letter of the 16th instant, you are informed that you are at liberty to keep your accounts wherever you please, taking care to select a safe depository, and to make any arrangement to facilitate your business, so that you do not pay away the money furnished you at less than par.

I am, respectfully, &c.,

A. P. UPSHUR.

To VINCENT BROWN, Esq.,  
*Navy Agent, Boston.*

[No. 13.]

BOSTON, *April 29, 1843.*

SIR: In reply to your letter of the 27th instant, calling my attention to the circumstances under which you placed the public funds in your hands, as purser of the navy-yard, in 1841, then under my command, in the Phoenix Bank, Charlestown, I would state that you submitted to me your letter of the 1st of December, 1841, to the Secretary of the Navy, requesting his directions where to place the public money in your hands for security, also his answer, dated the 8th of the same month, declining giving you any directions on the subject. You then requested my opinion as to placing the funds in the safe in your office in the yard, and asked whether I would give you a sentinel to place over them: this I declined doing, and gave, as my opinion, that the funds would be much more secure in the Phoenix Bank, than in the safe in your office. I, at that time, and indeed up to the period of the failure of the Phoenix Bank, believed it to be the safest place to keep the public funds that could be found within reach.

I am, very respectfully, your obedient servant,

JOHN DOWNES,  
*Captain U. S. Navy.*

JOSEPH WILSON, Esq.,  
*Purser, U. S. Navy, Boston.*

[No. 14.]

We, the undersigned, citizens of Boston and Charlestown, Massachusetts, do hereby certify, that to the very hour of the failure

of the Phoenix Bank of Charlestown, on the 3d of October, 1842, it possessed the full confidence of the mercantile community, and would have been considered a perfectly safe depository for the money either of individuals or of the government.

WM. STURGIS,  
ABBOTT LAWRENCE,  
N. APPLETON,  
HENRY B. STONE,  
SAM. FROTHINGHAM,  
B. T. REED,  
ROB. HOOPER,  
THO. B. CURTIS,  
RICH'D DEVENS,  
ISAAC HULL WRIGHT,  
NATH. GREENE,  
JOHN McNIEL.

U. S. ATTORNEY'S OFFICE,  
*Boston, February 4, 1846.*

I concur in the above statement.

R. RANTOUL, JR.,  
*U. S. Attorney for Massachusetts.*

[No. 15.]

WASHINGTON,  
*Ho. of Reps., January 10, 1846.*

SIR: In reply to your note just received, I would state that I was an inhabitant of Charlestown, Massachusetts, at the time of the failure of the Phoenix Bank, and was conversant with the business transactions of that place, and that I considered the Phoenix Bank, up to the day of its failure, in as sound and as good condition as any other bank in Charlestown or Boston, and as much entitled to the confidence of the public as any other institution of the kind.

Very respectfully, your obedient servant,

BENJAMIN THOMPSON.

JOSEPH WILSON, Esq.,  
*Purser, U. S. Navy.*